

PART 147—STATE UNDERGROUND INJECTION CONTROL PROGRAMS

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Subpart BB—Montana

§ 147.1350 State-administered programs—Class II wells.

The UIC program for Class II injection wells in the State of Montana, except for those in Indian Country, is the program administered by the Montana Board of Oil and Gas Conservation (MBOGC) approved by the EPA pursuant to Section 1425 of the SDWA. Notice of this approval was published in the FEDERAL REGISTER on November 19, 1996; the effective date of this program is November 19, 1996. This program consists of the following elements as submitted to EPA in the State's program application:

(a) *Incorporation by reference.* The requirements set forth in the State statutes and regulations cited in this paragraph are hereby incorporated by reference and made part of the applicable UIC program under the SDWA for the State of Montana. This incorporation by reference was approved by the Director of the FR in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained at the Montana Board of Oil and Gas Conservation, 2535 St. Johns Avenue, Billings, Montana, 59102. Copies may be inspected at the Environmental Protection Agency, Region VIII, 999 18th Street, Suite 500, Denver, Colorado, 80202-2466, or at the Office of the Federal Register, 800 North Capitol Street, NW, Suite 700, Washington, D.C.

(1) Montana Statutory Requirements Applicable to the Underground Injection Control Program, August, 1996.

(2) Montana Regulatory Requirements Applicable to the Underground Injection Control Program, August, 1996.

(b) *Memorandum of Agreement (MOA).* (1) The MOA between EPA Region VIII and the MBOGC signed by the Acting EPA Regional Administrator on June 9, 1996.

(2) Letter dated May 24, 1996, from the Administrator of the MBOGC and the attached addendum (Addendum No. 1-96) to the MOA between MBOGC and EPA Region VIII, signed by the Acting EPA Regional Administrator on August 14, 1996.

(c) *Statement of legal authority.* (1) Letter from the Montana Attorney General to the Regional Administrator dated August 1, 1995.

(2) MBOGC independent counsel's certification of Montana's UIC program for Class II wells dated July 24, 1995.

(3) Letter dated March 8, 1996, from MBOGC independent counsel to USEPA, Region VIII; "Re: EPA comments of November 29, 1995, on Montana Class II primacy application."

(4) Letter dated March 8, 1996, from the Administrator of the MBOGC and the attached proposed replacement language for the MOA; "Re: Responses to EPA comments on Montana Class II Primacy Application."

(d) *Program Description.* The Program Description and any other materials submitted as part of the application or as supplemented thereto:

(1) Application and accompanying materials for approval of Montana's UIC program for Class II wells submitted by the Governor of Montana, August 3, 1995.

(2) [Reserved]

[61 FR 58933, Nov. 19, 1996]

§ 147.1351 EPA-administered program.

(a) *Contents.* The UIC program in the State of Montana for Class I, III, IV, and V wells, and for all Classes of wells in Indian Country is administered by EPA. This program consists of the UIC program requirements of 40 CFR parts 124, 144, 146, 148, and any additional requirements set forth in the remainder of this subpart. Injection well owners and operators, and EPA shall comply with these requirements.

(b) *Effective dates.* The effective date for the UIC program on all lands in Montana, including all Indian lands, is June 25, 1984.

[52 FR 17681, May 11, 1987, as amended at 56 FR 9417, Mar. 6, 1991; 61 FR 58933, Nov. 19, 1996]

§ 147.1352 Aquifer exemptions.

Those portions of aquifers within one-quarter mile of existing Class II wells are exempted for the purpose of Class II injection activities only.

NOTE: A complete listing of the exemptions and their location is available for review in the EPA Regional Office, 1860 Lincoln Street, Denver, Colorado. An updated list of exemptions will be maintained in the Regional Office.

§ 147.1353 Existing Class I, II (except enhanced recovery hydrocarbon storage) and III wells authorized by rule.

Maximum injection pressure. The owner or operator shall limit injection pressure to the lesser of:

(a) A value which will not exceed the operating requirements of § 144.28(f)(3) (i) or (ii) as applicable or

(b) A value for well head pressure calculated by using the following formula:

$$P_m = (0.733 - 0.433 S_g) d$$
where

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Pm=injection pressure at the well head in pounds per square inch

Sg=specific gravity of inject fluid (unitless)

d=injection depth in feet.

§ 147.1354 Existing Class II enhanced recovery and hydrocarbon storage wells authorized by rule.

(a) *Maximum injection pressure.* (1) To meet the operating requirements of § 144.28(f)(3)(ii) (A) and (B) of this chapter, the owner or operator:

(i) Shall use an injection pressure no greater than the pressure established by the Regional Administrator for the field or formation in which the well is located. The Regional Administrator shall establish such a maximum pressure after notice, opportunity for comment, and opportunity for a public hearing, according to the provisions of part 124, subpart A of this chapter, and will inform owners and operators in writing of the applicable maximum pressure; or

(ii) May inject at pressures greater than those specified in paragraph (a)(1)(i) of this section for the field or formation in which he is operating provided he submits a request in writing to the Regional Administrator, and demonstrates to the satisfaction of the Regional Administrator that such injection pressure will not violate the requirement of § 144.28(f)(3)(ii) (A) and (B). The Regional Administrator may grant such a request after notice, opportunity for comment, and opportunity for a public hearing, according to the provisions of part 124, subpart A of this chapter.

(2) Prior to such time as the Regional Administrator established rules for maximum injection pressure based on data provided pursuant to paragraph (ii) below the owner or operator shall:

(i) Limit injection pressure to a value which will not exceed the operating requirements of § 144.28(f)(3)(ii); and

(ii) Submit data acceptable to the Regional Administrator which defines the fracture pressure of the formation in which injection is taking place. A single test may be submitted on behalf of two or more operators conducting operations in the same formation, if the Regional Administrator approves such submission. The data shall be submitted to the Regional Administrator within 1 year of the effective date of this program.

(b) *Casing and cementing.* Where the Regional Administrator determines that the owner or operator of an existing enhanced recovery or hydrocarbon storage well may not be in compliance with the requirements of §§ 144.28(e) and 146.22, the owner or operator shall when required by the Regional Administrator:

(1) Isolate all USDWs by placing cement between the outermost casing and the well bore as follows:

(i) If the injection well is east of the 108th meridian, cement the outermost casing from a point 50 feet into a major shale formation underlying the uppermost USDW to the surface. For the purpose of this paragraph, major shale formations are defined as the Bearpaw, Clagget, and Colorado formations.

(ii) If the injection well is west of the 108th meridian, cement the outermost casing to a depth of 1,000 feet, or to the base of the lowermost USDW in use as a source of drinking water whichever is deeper. The Regional Administrator may allow an owner or operator to cement to a lesser depth if he can demonstrate to the satisfaction of the Regional Administrator that no USDW will be affected by the injection facilities.

(2) Isolate any injection zones by placing sufficient cement to fill the calculated space between the casing and the well bore to a point 250 feet above the injection zone; and

(3) Use cement:

(i) Of sufficient quantity and quality to withstand the maximum operating pressure;

(ii) Which is resistant to deterioration from formation and injection fluids; and

(iii) In a quantity no less than 120% of the calculated volume necessary to cement off a zone.

(4) The Regional Administrator may specify other requirements in addition to or in lieu of the requirements set forth in paragraphs (b) (1) through (3) of this section, as needed to protect USDWs.

§ 147.1355 Requirements for all wells.

(a) *Area of review.* Notwithstanding the alternatives presented in § 146.6 of this chapter, the area of review shall be a fixed radius as described in § 146.06(b) of this chapter.

(b) The applicant must give separate notice of intent to apply for a permit to each owner or tenant of the land within one-quarter mile of the site. This requirement may be waived by the Regional Administrator where individual notice to all land owners and tenants would be impractical. The addresses of those to whom notice is given, and a description of how notice was given, shall be submitted with the permit application. The notice shall include:

(1) Name and address of applicant;

(2) A brief description of the planned injection activities, including well location, name and depth of the injection zone, maximum injection pressure and volume, and fluid to be injected;

(3) EPA contact person; and

(4) A statement that opportunity to comment will be announced after EPA prepares a draft permit.

(c) Owners and operators on or within one-half mile of Indian lands shall provide notice as speci-

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fied in paragraph (b) of this section, except that such notice shall be provided within a one-half mile radius of the site.

APPENDIX A TO SUBPART BB OF PART 147— STATE REQUIREMENTS INCORPORATED BY REFERENCE IN SUBPART BB OF PART 147 OF THE CODE OF FEDERAL REGULATIONS

The following is an informational listing of state requirements incorporated by reference in Subpart BB of part 147 of the Code of Federal Regulations:

Subpart BB—Montana

(a) The statutory provisions include:

(1) Montana Code annotated, 1995, Title 2, Chapter 15:

Section 2–15–121. Allocation for administrative purposes only.

Section 2–15–124. Quasi-judicial boards.

Section 2–15–3303. Board of oil and gas conservation-composition—allocation—quasi-judicial.

(2) Montana Code annotated, 1995, Title 82, Chapter 10:

Section 82–10–101. Action for accounting for royalty.

Section 82–10–102. Remedy not exclusive.

Section 82–10–103. Obligation to pay royalties as essence of contract-interest.

Section 82–10–104. Payment of royalties-form of record required.

Section 82–10–105 through 82–10–109 reserved.

Section 82–10–110. Division order-definition-effect.

Section 82–10–201. Authorization for lease and terms-land not subject to leasing.

Section 82–10–202. Acreage pooling.

Section 82–10–203. Interference with normal use of land prohibited.

Section 82–10–204. Lease of acquired oil and gas interests.

Section 82–10–301. Definitions.

Section 82–10–302. Policy.

Section 82–10–303. Use of eminent domain to acquire underground reservoirs.

Section 82–10–304. Certificate of board required prior to use of eminent domain.

Section 82–10–305. Proceedings.

Section 82–10–401. Notice required before abandonment of well-owner's option.

Section 82–10–402. Inventory of abandoned wells and seismic operations-reclamation procedures.

Section 82–10–501. Purpose-legislative findings.

Section 82–10–502. Definitions.

Section 82–10–503. Notice of drilling operations.

Section 82–10–504. Surface damage and disruption payments-penalty for late payment.

Section 82–10–505. Liability for damages to property.

Section 82–10–506. Notification of injury.

Section 82–10–0507. Agreement—offer of settlement.

Section 82–10–508. Rejection—legal action.

Section 82–10–509 and 82–10–510. Reserved.

Section 82–10–511. Remedies cumulative.

(3) Montana Code annotated, 1995, Title 82, Chapter 11:

Section 82–11–101. Definitions.

Section 82–11–102. Oil or gas wells not public utilities.

Section 82–11–103. Lands subject to law.

Section 82–11–104. Construction-no conflict with board of land commissioners' authority.

Section 82–11–105 through 82–11–110 reserved.

Section 82–11–111. Powers and duties of board.

Section 82–11–112. Intergovernmental cooperation.

Section 82–11–113. Role of board in implementation of national gas policy.

Section 82–11–114. Appointment of examiners.

Section 82–11–115. Procedure to make determinations.

Section 82–11–116. Public access.

Section 82–11–117. Confidentiality of records.

Section 82–11–118. Fees for processing applications.

Section 82–11–119 through 82–11–120 reserved.

Section 82–11–121. Oil and gas waste prohibited.

Section 82–11–122. Notice of intention to drill or conduct seismic operations-notice to surface owner.

Section 82–11–123. Requirements for oil and gas operations.

Section 82–11–124. Requirement relating to waste prevention.

Section 82–11–125. Availability of cores or chips, cuttings, and bottom-hole temperatures to board.

Section 82–11–126. Availability of facilities to bureau of mines.

Section 82–11–127. Prohibited activity.

Section 82–11–128 through 82–11–130 reserved.

Section 82–11–131. Privilege and license tax.

Section 82–11–132. Statements to treasurer and payment of tax.

Section 82–11–133. Penalty for late payment.

Section 82–11–134. Permit fees.

Section 82–11–135. Money earmarked for board expenses.

Section 82–11–136. Expenditure of funds from bonds for plugging wells.

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Section 82-11-137. Class II injection well operating fee.

Section 82-11-138 through 82-11-140 reserved.

Section 82-11-141. Administrative procedure.

Section 82-11-142. Subpoena power-civil actions.

Section 82-11-143. Rehearing.

Section 82-11-144. Court review.

Section 82-11-145. Injunction or restraining order.

Section 82-11-146. Appeal.

Section 82-11-147. Violations.

Section 82-11-148. Criminal penalties.

Section 82-11-149. Civil penalties.

Section 82-11-150. Legal assistance.

Section 82-11-151. Emergencies-notice and hearing.

Section 82-11-152 through 82-11-160 reserved.

Section 82-11-161. Oil and gas production damage mitigation account-statutory appropriation.

Section 82-11-162. Release of producing oil or gas well from drilling bond-fee.

Section 82-11-163. Landowner's bond on non-commercial well.

Section 82-11-164. Lien created.

Section 82-11-165 through 82-11-170 reserved.

Section 82-11-171. Terminated.

Section 82-11-201. Establishment of well spacing units.

Section 82-11-202. Pooling of interest within spacing unit.

Section 82-11-203. Pooling agreements not in violation of antitrust laws.

Section 82-11-204. Hearing on operation of pool as unit.

Section 82-11-205. Board order for unit operation-criteria.

Section 82-11-206. Terms and conditions of plan for unit operations.

Section 82-11-207. Approval of plan for unit operations by persons paying costs.

Section 82-11-208. Board orders-amendment.

Section 82-11-209. Units established by previous order.

Section 82-11-210. Unit operations-less than whole of pool.

Section 82-11-211. Operations considered as done by all owners in unit.

Section 82-11-212. Property rights and operator's lien.

Section 82-11-213. Contract not terminated by board order.

Section 82-11-214. Title to oil and gas rights not affected by board order.

Section 82-11-215. Unit operation not restraint of trade.

Section 82-11-216. No creation of relationship between parties in unit.

Section 82-11-301. Authorization to join interstate compact for conservation of oil and gas.

Section 82-11-302. Interstate oil and gas compact.

Section 82-11-303. Extension of expiration date.

Section 82-11-304. Governor as member of Interstate Oil Compact Commission.

Section 82-11-305. Limitation on power of representative.

Section 82-11-306. Expenses of representative.

(b) The regulatory provisions include: Administrative Rules of Montana Board of Oil and Gas Conservation, Chapter 22, revised March 1996:

Rule 36.22.101. Organizational Rule.

Rule 36.22.201. Procedural Rules.

Rule 36.22.202. Environmental Policy Act Procedural Rules.

Rule 36.22.301. Effective Scope of Rules.

Rule 36.22.302. Definitions.

Rule 36.22.303. Classification of Wildcat or Exploratory Wells.

Rule 36.22.304. Inspection of Record, Properties, and Wells.

Rule 36.22.305. Naming of Pools.

Rule 36.22.306. Organization of Reports.

Rule 36.22.307. Adoption of Forms.

Rule 36.22.308. Seal of Board.

Rule 36.22.309. Referral of Administrative Decisions.

Rule 36.22.401. Office and Duties of Petroleum Engineer.

Rule 36.22.402. Office and Duties of Administrator.

Rule 36.22.403. Office and Duties of Geologist.

Rule 36.22.501. Shot Location Limitations.

Rule 36.22.502. Plugging and Abandonment.

Rule 36.22.503. Notification.

Rule 36.22.504. Identification.

Rule 36.22.601. Notice of Intention and Permit to Drill.

Rule 36.22.602. Notice of Intention to Drill and Application for Permit to Drill.

Rule 36.22.603. Permit Fees.

Rule 36.22.604. Permit Issuance - Expiration - Extension.

Rule 36.22.605. Transfer of Permits.

Rule 36.22.606. Notice and Eligibility Statement for Drilling or Recompletion in Unit Operations.

Rule 36.22.607. Drilling Permits Pending Special Field Rules.

Rule 36.22.701. Spacing Units - General.

Rule 36.22.702. Spacing of Wells.

Rule 36.22.703. Horizontal Wells.

Rule 36.22.1001. Rotary Drilling Procedure.

Rule 36.22.1002. Cable Drilling Procedure.

Rule 36.22.1003. Vertical Drilling Required Deviation.

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- Rule 36.22.1004. Dual Completion of Wells.
- Rule 36.22.1005. Drilling Waste Disposal and Surface Restoration.
- Rules 36.22.1006 through 36.22.1010. Reserved.
- Rule 36.22.1011. Well Completion and Re-completion Reports.
- Rule 36.22.1012. Samples of Cores and Cuttings.
- Rule 36.22.1013. Filing of Completion Reports, Well Logs, Analyses, Reports, and Surveys.
- Rule 36.22.1014. Blowout Prevention and Well Control Equipment.
- Rule 36.22.1101. Fire Hazard Prevention.
- Rule 36.22.1102. Fire Walls Required.
- Rule 36.22.1103. Notification and Report of Emergencies and Undesirable Incidents.
- Rule 36.22.1104. Control and Cleanup.
- Rule 36.22.1105. Solid Waste.
- Rule 36.22.1201. Surface Equipment.
- Rule 36.22.1202. Identification.
- Rule 36.22.1203. Chokes Required.
- Rule 36.22.1204. Separators Required.
- Rule 36.22.1205. Vacuum Pumps Prohibited.
- Rule 36.22.1206. Tubing Required.
- Rule 36.22.1207. Earthen Pits and Open Vessels.
- Rule 36.22.1208. Producing from Different Pools Through the Same Casing.
- Rules 36.22.1209 through 36.22.1212. Reserved.
- Rule 36.22.1213. Reservoir or Pool Surveys.
- Rule 36.22.1214. Subsurface Pressure Tests.
- Rule 36.22.1215. Stabilized Production Test.
- Rule 36.22.1216. Gas Oil Ratio Tests.
- Rule 36.22.1217. Water Production Report.
- Rule 36.22.1218. Gas to be Metered.
- Rule 36.22.1219. Gas Waste Prohibited.
- Rule 36.22.1220. Associated Gas Flaring Limitation—Application to exceed—Board Review and Action.
- Rule 36.22.1221. Burning of Waste Gas Required.
- Rule 36.22.1222. Hydrogen Sulfide Gas.
- Rule 36.22.1223. Fencing, Screening, and Netting of Pits.
- Rules 36.22.1224 and 36.22.1425. Reserved.
- Rule 36.22.1226. Disposal of Water.
- Rule 36.22.1227. Earthen Pits and Ponds.
- Rule 36.22.1228. Disposal by Injection.
- Rule 36.22.1229. Water Injection and Gas Re-pressuring.
- Rule 36.22.1230. Application Contents and Requirements.
- Rule 36.22.1231. Notice of Application Objections.
- Rule 36.22.1232. Board Authorization.
- Rule 36.22.1233. Notice of Commencement or Discontinuance—Plugging of Abandoned Wells.
- Rule 36.22.1234. Record Required.
- Rules 36.22.1235 through 36.22.1239. Reserved.
- Rule 36.22.1240. Report of Well Status Change.
- Rule 36.22.1241. Service Company Reports.
- Rule 36.22.1242. Reports by Producers.
- Rule 36.22.1243. Reports from Transporters, Refiners, and Gasoline or Extraction Plants.
- Rule 36.22.1244. Producer's Certificate of Compliance.
- Rule 36.22.1245. Illegal Production.
- Rule 36.22.1301. Notice and Approval of Intention to Abandon Report.
- Rule 36.22.1302. Notice of Abandonment.
- Rule 36.22.1303. Well Plugging Requirement.
- Rule 36.22.1304. Plugging Methods and Procedure.
- Rule 36.22.1305. Exception for Fresh Water Wells.
- Rule 36.22.1306. Approval for Pulling Casing and Reentering Wells.
- Rule 36.22.1307. Restoration of Surface.
- Rule 36.22.1308. Plugging and Restoration Bond.
- Rule 36.22.1309. Subsequent Report of Abandonment.
- Rule 36.22.1401. Definitions.
- Rule 36.22.1402. Underground Injection.
- Rule 36.22.1403. Application Contents and Requirements Rules.
- Rule 36.22.1404 and 36.22.1405. Reserved.
- Rule 36.22.1406. Corrective Action.
- Rule 36.22.1407. Signing the Application.
- Rule 36.22.1408. Financial Responsibility.
- Rule 36.22.1409. Hearings.
- Rule 36.22.1410. Notice of Application.
- Rule 36.22.1411. Board Authorization.
- Rules 36.22.1412 and 36.22.1413. Reserved.
- Rule 36.22.1414. Notice of Commencement or Discontinuance—Plugging of Abandoned Wells.
- Rule 36.22.1415. Records Required.
- Rule 36.22.1416. Mechanical Integrity.
- Rule 36.22.1417. Notification of Tests—Reporting Results.
- Rule 36.22.1418. Exempt Aquifers.
- Rule 36.22.1419. Tubingless Completions.
- Rules 36.22.1420 and 36.22.1421. Reserved.
- Rule 36.22.1422. Permit Conditions.
- Rule 36.22.1423. Injection Fee—Well Classification.
- Rule 36.22.1601. Who May Apply for Determination.
- Rule 36.22.1602. Application Requirements and Contents.
- Rule 36.22.1603. Documents and Technical Data Supporting Application.
- Rule 36.22.1604. Docket Number.
- Rule 36.22.1605. List of Applications—Public Access.
- Rule 36.22.1606. Objections to Applications.
- Rule 36.22.1607. Deadlines for Action Determinations.

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Rule 36.22.1608. Deficient Applications.

Rule 36.22.1609. Board Action on Applications.

Rule 36.22.1610. Special Findings and Determinations New Onshore Production Wells Under Section 103.

Rule 36.22.1611. Special Findings and Determinations Stripper Well Production.

[61 FR 58934, Nov. 19, 1996]

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